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STRENGTHENING LOCAL GOVERNMENT EFFECTIVENESS

CONTEXT

Two decades after decentralization, Indonesia continues to strengthen local governance, responsiveness, and accountability. The United States supports the Government of Indonesia to improve decentralized policy implementation and service delivery for the benefit of all citizens.

Decentralization has improved service delivery across Indonesia, as seen in part by increased levels of high school enrollment and access to water and sanitation. Some health and education outcomes, however, remain low. Local governments' varying capacity is a challenge for Indonesia to improve these outcomes consistently and fairly. Investing in local governance leads to improved welfare of the people—for example, through better access to clean water, which is related to health quality.

USAID TATA KELOLA PEMERINTAHAN YANG EFEKTIF, EFISIEN DAN KUAT (USAID ERAT)

Enhancing government regulatory and policy coherence, planning, budgeting, and resource allocation are critical to improving the effectiveness and efficiency of government-provided services. USAID ERAT supports national, provincial, and local governments to strengthen coherence of policies, policy

implementation, and budget planning and execution. The project also works to increase accountability and enable incentives so that the services are delivered in a transparent and effective manner.

Together with government partners, USAID ERAT has designed solutions to address these weaknesses, ensuring their ownership. This process helps the government harmonize national, provincial, and district policies, resulting in more efficient government operations and better services for local communities. The program helps local governments match financial and institutional resources with their goals, needs, and priorities. USAID ERAT also promotes collaboration among different levels of government, as well as with civil society and the private sector, to improve public service delivery.

USAID ERAT is active in 30 districts across the North Sumatra, Banten, East Java, West Kalimantan, South Sulawesi, and East Nusa Tenggara provinces.

RESULTS

In its first year of implementation, USAID ERAT has:

- Engaged with more than 500 stakeholders from government, civil society, and the private sector in co-design workshops, utilizing the results of the local governance and public service assessments conducted in the first year.
- Provided assistance resulting in 11 subnational policies, including promoting district-village collaboration to address development issues, improving data management and utilization, reducing stunting, improving health insurance coverage, and increasing school participation rates.
- Facilitated central and subnational governments to improve eight national and 14 subnational policy coordination mechanisms, including through multi-sectoral data harmonization, peer-to-peer learning, and competitions to identify new ideas from youth and social entrepreneurs.
- Supported the development and replication of public service innovations that led to the enhancement of five public service innovations.
- Provided technical assistance and recommendations to central government ministries and subnational governments, leading to the issuing of five national policies.
- Facilitated private sector engagements to improve health surveillance and services.

CONTACT

Merita Gidarjati, USAID
mgidarjati@usaid.go

Erman Rahman – IDIQ Activity Director,
The Asia Foundation
erman.rahman@program-erat.or.id